In the Specification:

At page 1, lines 4 - 11, please amend as follows:

This application is a continuation of 10/202,367, filed July 22, 2002 (now patent 6,704,869), which is a continuation of 09/566,533, filed May 8, 2000 (now patent 6,424,725), which is a continuation-in-part of co-pending application 09/452,023, filed November 30, 1999 (now patent 6,408,082). Patent Application 09/566,533 is also a continuation-in-part of application 08/746,613, filed November 12, 1996 (now patent 6,122,403). Patent Application 09/566,533 is also a continuation-in-part of copending application 09/186,962, filed November 5, 1998, (now patent 7,171,016) which is a continuation of application 08/649,419, filed May 16, 1996 (now patent 5,862,260).

At page 1, lines 12 -21, please amend as follows:

The subject matter of the present application is also related to that of the assignee's other patents and applications, including patents 5,930,377, 5,809,160, 5,721,788, 5,745,604, 5,768,426, 5,850,481, 5,748,753, 5,710,834, 5,636,292, 5,841,978, 5,841,886, 5,832,119, 5,822,436, 5,862,260, 6,026,193, 6,122,392, 6,449,377, 6,345,104, 6,549,638, 6,681,028, 6,650,761, 6,311,214, 6,700,990, 6,636,615, 6,307,949, 7,044,395, 6,959,098, 6,614,914 and pending applications 08/951,858, 08/967,693, 09/074,034, 09/127,502, 09/151,492, 09/185,380, 09/292,569, 09/314,648, 09/337,590, 09/343,104, 09/342,688, 09/343,101, 09/342,971, 09/342,689, 09/408,026, 09/433,104, 60/163,332, 09/434,757, 09/437,357, 60/164,619, 09/452,021, 09/452,022, 60/112,955, 60/134,782, 09/503,881and 60/158,015. The technology disclosed in this application can advantageously be used in the methods and systems disclosed in the foregoing patents and applications (all of which are incorporated by reference).

At page 1 line 22 – 26, please amend as follows:

This application is also a continuation-in-part of co-pending application no. 09/186,962, filed November 5, 1998 (now patent 7,171,016), which is a continuation of application no. 08/649,419, filed May 16, 1996 (now U.S. Pat. No. 5,862,260), which is a continuation in part of PCT Application No. PCT/US96/06618, filed May 7, 1996, and U.S. application Ser. No. 08/637,531, filed Apr. 25, 1996, now U.S. Pat. No. 5,822,436.

At page 9 line 24 through page 10 line 6, please amend as follows:

Before elaborating on implementation details, it is helpful to begin with an overview of the watermark structure. As noted above, the watermark may be implemented in a variety of ways. In the context of images, for example, it may be applied to the original content in the spatial domain, in a frequency domain, or some combination of these domains. The specific values of the watermark used to alter discrete samples of the image may be expressed in the spatial or frequency domain. For example, the watermark samples may be expressed as having some value and location in the spatial and or frequency domain. In addition, the value of a watermark sample may be a function of position in a given domain and may be a function of the corresponding image sample that it alters. For example, it may be expressed as a "delta function" that alters the corresponding image sample depending on the value of that image sample. For additional description of watermark encoding, please see U.S. Patent No. 6,614,914, and co-pending application 09/452,021 (now Patent No. 7,044,395), which are hereby incorporated by reference.

At page 14 line 29 – 30, please amend as follows:

Another approach to determination of differential scale is set forth in application 09/452,022 (now Patent No. 6,959,098) .